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22 JUL 1977

MEMORANDUM FOR: Deputy Director for Intelligence
FROM: Director of Central Intelligence
SUBJECT: Comments on OER Paper, "Soviet Economic Problems and Prospects"

There are a number of places in this paper where it makes categorical forecasts of the type I would like to encourage us to avoid. I have mentioned this orally, but I would emphasize again here that I do not mean just to "chicken out." What I'm interested in is discussing why countries or people will be pushed in one direction, and perhaps balancing that with some of the reasons why they may move in the opposite direction, rather than simply coming out flatly and stating that something "will" or "will not" happen.

a. For instance, on page ii of this paper at the bottom we state that "given current policies, the USSR will change from a net exporter to a substantial net importer of oil by the mid-1980's." I think this type of categorical statement in our oil forecasting has been one of the reasons our studies were greeted with some skepticism in informed circles. We have not done an analysis that would support that statement, in my opinion. What we have analyzed is that there may be great pressures on the Soviet Union to import oil in the early 1980's.

b. On page iii in the middle paragraph we make a categorical statement that a negative reaction from the Eastern European countries, "would cause Moscow to pull back from any curtailment of oil exports." Again, I doubt that we have done an analysis that would support that statement or that any such analysis could possibly come to such a prediction. I agree, however, that there will be considerable pressure on the Soviets not to reduce those exports.

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For STANSFIELD TURNER

cc D/DCI/NI
C/Congressional Support
Staff/DDI
DDCI

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